

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
MUR 6892)
Walker 4 NC)
and Collin McMichael as treasurer¹)
Jay and Katrina Whitt)
The Freedom Project)
and Lisa Lisker as treasurer)
Next Century Fund)
and Mary T. Fauth as treasurer)
Majority Committee PAC)
and Jill Thomson as treasurer)

2016 NOV 18 PM 3: 16

DISMISSAL AND CASE
CLOSURE UNDER THE
ENFORCEMENT PRIORITY
SYSTEM CELA

GENERAL COUNSEL'S REPORT

Under the Enforcement Priority System, the Commission uses formal scoring criteria as a basis to allocate its resources and decide which matters to pursue. These criteria include without limitation an assessment of the following factors: (1) the gravity of the alleged violation, taking into account both the type of activity and the amount in violation; (2) the apparent impact the alleged violation may have had on the electoral process; (3) the complexity of the legal issues raised in the matter; and (4) recent trends in potential violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), and developments of the law. It is the Commission's policy that pursuing relatively low-rated matters on the Enforcement docket warrants the exercise of its prosecutorial discretion to dismiss cases under certain circumstances or, where the record indicates that no violation of the Act has occurred, to make no reason to believe findings. The Office of General Counsel has determined that MUR 6892 should not be referred to the Alternative Dispute Resolution Office.²

¹ Charles K. Rakestraw was the Committee's treasurer during the time period at issue. Mr. McMichael is currently the Committee's treasurer.

² The EPS rating information is as follows: Complaint Filed: October 27, 2014. Response from Next Century Fund Filed: November 18, 2014. Response from Majority Committee PAC Filed: November 18, 2016. Responses from Committee and Jay and Katrina Whitt Filed: December 16, 2014. Response from Freedom Project Filed: January 29, 2015.

1 The Complaint in this matter alleges that the Respondents, Walker 4 NC and Collin
2 McMichael in his official capacity as treasurer (the "Committee"), Jay and Katrina Whitt, The
3 Freedom Project and Lisa Lisker in her official capacity as treasurer ("Freedom Project"), Next
4 Century Fund and Mary T. Fauth in her official capacity as treasurer ("Next Century Fund"), and
5 Majority Committee PAC and Jill Thomson in her official capacity as treasurer ("Majority
6 Committee PAC") violated multiple provisions of the Act and Commission regulations. The
7 Complaint's allegations include:

- 8 • the making and receipt of excessive, unreported in-kind contributions in the form of the
9 campaign's "frequent[, if not daily]" use of a bus owned by the Whitts during a 400-day
10 period. Compl. at 3;
11
- 12 • the making and receipt of an excessive, unreported in-kind contribution in the form of the
13 use of a time-share in Cancun, Mexico, donated by a supporter as a prize for a fundraiser
14 raffle. *Id.* at 4;
15
- 16 • the receipt of three separate \$5,000 excessive contributions from Freedom Project, Next
17 Century Fund, and Majority Committee PAC, which were designated for debt retirement,
18 but the Committee did not report any debt to which these contributions could be applied. *Id.*
19 at 4-5.
20

21 In response, the Whitts and the Committee state that the Walker campaign negotiated a
22 reasonable lease with the Whitts for the "occasional" use of their 34-year-old bus for an eight-month
23 period. The rental amount was \$500 per month, plus the costs for service, repairs, maintenance, and
24 fuel. Committee Resp. at 2; *see also id.*, Ex. 2 (Lease Agreement for Bus Motorcoach). The
25 campaign used the bus a total of sixteen times, twelve during the lease period, and four times after,
26 pursuant to an oral agreement. *Id.* at 2; *see also id.*, Ex. 3 (Bus Log). The Committee further argues
27 that, based on its research, there was no market in the local area for a bus as old as the Whitts' bus.
28 *Id.* at Ex. 7 (search results for rental buses). The Committee maintains that it paid the Whitts
29 \$5,954.89 for its use of the bus and that it properly disclosed the payments. *Id.* at 2.

1 As for the fundraiser raffle prize,³ the Committee concedes that it mistakenly believed it did
2 not have to disclose the value of the prize until it was redeemed, but that it would amend its report
3 to disclose the in-kind contribution.⁴ *Id.* at 4-5.

4 Finally, the Committee observes that Walker was a candidate in both the primary and runoff
5 elections, held on May 6, 2014, and July 15, 2014, respectively, for the Republican nomination in
6 North Carolina's Sixth Congressional District. *Id.* at 5. According to the Committee, in the fifteen
7 days between the close of the July Quarterly reporting period and the date of the runoff election, it
8 incurred debts to vendors in connection with the runoff. *Id.* The Committee, however, paid the
9 vendors by September 30, 2014, the end of the reporting period, so there was no runoff debt to
10 report. *Id.*⁵ With respect to the primary election, the Committee states that it "unexpectedly
11 received a late invoice from a vendor" for services performed during the primary election. *Id.*
12 Therefore, the Committee claims that it was proper to solicit contributions to retire its primary and
13 runoff election debt. *Id.*, *see also* Freedom Project Resp. at 2; Next Century Fund Resp. at 1;
14 Majority Committee PAC Resp. at 1-2.

15 A contribution includes "any gift, subscription, loan, advance, or deposit of money or
16 anything of value." 52 U.S.C. § 30101(8)(A)(i). The term "anything of value" includes in-kind
17 contributions of goods or services without charge, or at less than the usual and normal charge.
18 11 C.F.R. § 100.52(d)(1). Political committees must report the name and address of each person
19 who makes a contribution aggregating over \$200 per election cycle, as well as the date, amount, and
20 purpose of such payments. 52 U.S.C. § 30104(b)(3)(A).

³ The Committee states that the prize was for lodging at a time-share resort.

⁴ Subsequently, the Committee revised its 2014 Pre-Runoff Election Report to disclose an in-kind contribution of \$1,554.79 from Cindy Boger. *See* Amended Pre-Runoff Election Report, filed on January 28, 2015, at 13, 73.

⁵ The Committee's disbursements would still have been reflected on Schedule B.

1 In 2014, individual contributions to candidate committees were limited to \$2,600 per
2 election, and multicandidate political committees, such as Freedom Project, Next Century Fund, and
3 Majority Committee PAC, could not make a contribution to a candidate that exceeded \$5,000 per
4 election. 52 U.S.C. § 30116(a)(1)(A),(2)(A). A primary election, runoff election, and general
5 election are each considered separate "elections" under the Act, and the contribution limits are
6 applied separately with respect to each election. 52 U.S.C. §§ 30101(1)(A) and 30116(a)(6).
7 Candidate committees are also prohibited from accepting excessive contributions. 52 U.S.C.
8 § 30116(f).

9 If a committee has net debts outstanding after an election, the campaign may accept
10 contributions after the election to retire the debts, provided that the contribution is designated for
11 that election, the contribution does not exceed the contributor's limit for the designated election,
12 and the campaign has net debts outstanding for the designated election on the day it receives the
13 contribution. 11 C.F.R. §§ 110.1(b)(3)(i) and (iii).

14 The Complaint provided no factual support for the contention that the fair market value of
15 the lease exceeded the Committee's payments to the Whitts. The Committee and the Whitts
16 provided a copy of the lease, a sales receipt showing that the bus was built in 1980 and cost the
17 Whitts \$30,000 in 2013, receipts for repair expenses the Committee incurred under the lease, and a
18 log showing the Committee used the bus sixteen times during a period of about six months.
19 Respondents also described their unsuccessful attempts to ascertain rental costs for similarly aged
20 buses. In other recent cases involving buses and RVs rented by committees, the Commission
21 dismissed allegations where, for a number of reasons, it was difficult to determine the fair market

1 value of the rental.⁶ Given the age of the Whitts' bus and the fact that the Committee paid certain
2 expenses under the lease, thus potentially lowering the fair market value, we recommend the
3 Commission dismiss this allegation as well.⁷

4 The Committee concedes that it failed to timely report the raffle prize. However, once the
5 omission was called to its attention, the Committee amended its Pre-Runoff Election Report to
6 disclose the value of the prize. In light of the Committee's remedial action, we recommend that the
7 Commission dismiss the allegations that the Committee violated 52 U.S.C. § 30104(b), pursuant to
8 *Heckler v. Chaney*, 470 U.S. 821, 831-32 (1985).

9 We also recommend that the Commission find no reason to believe that Freedom Project,
10 Next Century Fund, and Majority Committee PAC violated 52 U.S.C. § 30116(a)(2)(A) by making,
11 or the Committee violated 52 U.S.C. § 30116(f) by receiving, excessive contributions, since it
12 appears that the Committee had sufficient primary and runoff election debt to accept these debt
13 retirement contributions. Finally, this Office recommends that the Commission approve the
14 attached Factual and Legal Analyses and close the file.

15 RECOMMENDATIONS

- 16 1. Dismiss the allegations that Walker 4 NC and Collin McMichael in his official capacity as
17 treasurer violated 52 U.S.C. § 30116(f), concerning the use of a leased vehicle and
18 acceptance of a raffle prize;

⁶ See MUR 6674 (Montanans for Rehberg) F&LA at 6-7 (dismissing excessive contribution allegation given difficulty of ascertaining comparable values of similar rented buses and lack of detail as to how parties arrived at valuations of the rental of the 13-year-old bus); MUR 6295 (Lowden) F&LA at 6-7 (dismissing excessive contribution allegation regarding rental of 10-year-old RV needing substantial repairs, for which the Committee paid).

⁷ *Heckler v. Chaney*, 470 U.S. 821, 831-32 (1985). The Complaint also alleges that the lease was an excessive in-kind contribution because the bus was wrapped in vinyl, bore the candidate's name and image, and was not available to the Whitts during the lease. Compl. at 3. Respondents argue that the parties had an oral understanding that the Whitts could use the bus during the lease, but the record does not reflect that they ever did. See Committee Resp. at 3. While the Commission could spend resources to determine the value of the campaign's apparently uninterrupted access to the bus, and whether a disclaimer should have, or did, appear on the wrapped bus, we believe such inquiry would be an inefficient use of the Commission's resources under the particular facts of this case. See *Heckler*, 470 U.S. at 831-32. We note, merely as a matter of historical reference, similar issues arose in MUR 6863 (Allison for Kentucky), a case in which the Commission could not agree on OGC's recommendations.

2. Dismiss the allegations that Walker 4 NC and Collin McMichael in his official capacity as treasurer violated 52 U.S.C. § 30104(b), concerning the receipt and reporting of a raffle prize;
3. Dismiss the allegations that Jay Whitt and Katrina Whitt violated 52 U.S.C. § 30116(a)(1)(A);
4. Find no reason to believe that Walker 4 NC and Collin McMichael in his official capacity as treasurer violated 52 U.S.C. § 30116(f), concerning the acceptance of certain Political Action Committee contributions to retire Committee debt;
5. Find no reason to believe that The Freedom Project and Lisa Lisker in her official capacity as treasurer violated 52 U.S.C. § 30116(a)(2)(A);
6. Find no reason to believe that Next Century Fund and Mary T. Fauth in her official capacity as treasurer violated 52 U.S.C. § 30116(a)(2)(A);
7. Find no reason to believe that Majority Committee PAC and Jill Thomson in her official capacity as treasurer, violated 52 U.S.C. § 30116(a)(2)(A);
8. Approve the attached Factual and Legal Analyses and the appropriate letters; and
9. Close the file.

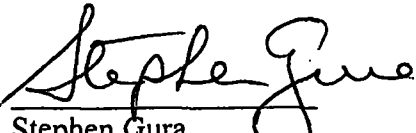
Lisa J. Stevenson
Acting General Counsel

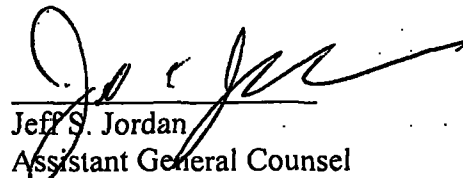
Kathleen M. Guith
Acting Associate General Counsel


11.18.16

Date:

BY:


Stephen Gura
Deputy Associate General Counsel


Jeff S. Jordan
Assistant General Counsel


Ruth Heilizer
Attorney

Attachments:

1. Factual and Legal Analysis for Walker 4 NC
2. Factual and Legal Analysis for Jay and Katrina Whitt
3. Factual and Legal Analysis for Freedom Project, Next Century Fund and Majority Committee PAC

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Walker 4 NC
and Collin McMichael as treasurer¹

MUR 6892

I. INTRODUCTION

This matter was generated by a Complaint filed on October 27, 2014, alleging violations of the Federal Election Campaign Act of 1971, as amended (the "Act") and Commission regulations by Respondents Walker 4 NC and Collin McMichael in his official capacity as treasurer (collectively the "Committee"). It was scored as a relatively low-rated matter under the Enforcement Priority System, a system by which the Commission uses formal scoring criteria as a basis to allocate its resources and decide which matters to pursue.

II. FACTUAL AND LEGAL ANALYSIS

The Complaint in this matter alleges that the Respondents, Walker 4 NC and Collin McMichael in his official capacity as treasurer (the "Committee") violated multiple provisions of the Act and Commission regulations. The Complaint's allegations include:

- the making and receipt of excessive, unreported in-kind contributions in the form of the campaign's "frequent[, if not daily]" use of a bus owned by the Whitts during a 400-day period;
- the making and receipt of an excessive, unreported in-kind contribution in the form of the use of a time-share in Cancun, Mexico, donated by a supporter as a prize for a fundraiser raffle; and
- the receipt of three separate \$5,000 excessive contributions from Freedom Project, Next Century Fund, and Majority Committee PAC, which were designated for debt retirement, but the Committee did not report any debt to which these contributions could be applied.

¹ Charles K. Rakestraw was the Committee's treasurer during the time period at issue. Mr. McMichael is currently the Committee's treasurer.

1 In response, the Committee states that the Walker campaign negotiated a reasonable lease
2 with the Whitts for the “occasional” use of their 34-year-old bus for an eight-month period. The
3 rental amount was \$500 per month, plus the costs for service, repairs, maintenance, and fuel.
4 The campaign used the bus a total of sixteen times, twelve during the lease period, and four
5 times after, pursuant to an oral agreement. The Committee further argues that, based on its
6 research, there was no market in the local area for a bus as old as the Whitts’ bus. The
7 Committee maintains that it paid the Whitts \$5,954.89 for its use of the bus and that it properly
8 disclosed the payments.

9 As for the fundraiser raffle prize,² the Committee concedes that it mistakenly believed it
10 did not have to disclose the value of the prize until it was redeemed, but that it would amend its
11 report to disclose the in-kind contribution.³

12 Finally, the Committee observes that Walker was a candidate in both the primary and
13 runoff elections, held on May 6, 2014, and July 15, 2014, respectively, for the Republican
14 nomination in North Carolina’s Sixth Congressional District. According to the Committee, in
15 the fifteen days between the close of the July Quarterly reporting period and the date of the
16 runoff election, it incurred debts to vendors in connection with the runoff. The Committee,
17 however, paid the vendors by September 30, 2014, the end of the reporting period, so there was
18 no runoff debt to report.⁴ With respect to the primary election, the Committee states that it
19 “unexpectedly received a late invoice from a vendor” for services performed during the primary

² The Committee states that the prize was for lodging at a time-share resort.

³ Subsequently, the Committee revised its 2014 Pre-Runoff Election Report to disclose an in-kind contribution of \$1,554.79 from Cindy Boger. *See* Amended Pre-Runoff Election Report, filed on January 28, 2015, at 13, 73.

⁴ The Committee’s disbursements would still have been reflected on Schedule B.

1 election. Therefore, the Committee claims that it was proper to solicit contributions to retire its
2 primary and runoff election debt.

3 A contribution includes “any gift, subscription, loan, advance, or deposit of money or
4 anything of value.” 52 U.S.C. § 30101(8)(A)(i). The term “anything of value” includes in-kind
5 contributions of goods or services without charge, or at less than the usual and normal charge.
6 11 C.F.R. § 100.52(d)(1). Political committees must report the name and address of each person
7 who makes a contribution aggregating over \$200 per election cycle, as well as the date, amount,
8 and purpose of such payments. 52 U.S.C. § 30104(b)(3)(A).

9 In 2014, individual contributions to candidate committees were limited to \$2,600 per
10 election, and multicandidate political committees, such as Freedom Project, Next Century Fund,
11 and Majority Committee PAC, could not make a contribution to a candidate that exceeded
12 \$5,000 per election. 52 U.S.C. § 30116(a)(1)(A),(2)(A). A primary election, runoff election,
13 and general election are each considered separate “elections” under the Act, and the contribution
14 limits are applied separately with respect to each election. 52 U.S.C. §§ 30101(1)(A) and
15 30116(a)(6). Candidate committees are also prohibited from accepting excessive contributions.
16 52 U.S.C. § 30116(f).

17 If a committee has net debts outstanding after an election, the campaign may accept
18 contributions after the election to retire the debts, provided that the contribution is designated for
19 that election, the contribution does not exceed the contributor’s limit for the designated election,
20 and the campaign has net debts outstanding for the designated election on the day it receives the
21 contribution. 11 C.F.R. §§ 110.1(b)(3)(i) and (iii).

1 Since it appears that the Committee had sufficient primary and runoff election debt to
2 accept these debt retirement contributions, the Commission finds that there is no reason to
3 believe that the Committee violated 52 U.S.C. § 30116(f).

4 The Complaint provided no factual support for the contention that the fair market value
5 of the lease exceeded the Committee's payments to the Whitts. The Committee and the Whitts
6 provided a copy of the lease, a sales receipt showing that the bus was built in 1980 and cost the
7 Whitts \$30,000 in 2013, receipts for repair expenses the Committee incurred under the lease, and
8 a log showing the Committee used the bus sixteen times during a period of about six months.
9 Respondents also described their unsuccessful attempts to ascertain rental costs for similarly
10 aged buses. In other recent cases involving buses and RVs rented by committees, the
11 Commission dismissed allegations where, for a number of reasons, it was difficult to determine
12 the fair market value of the rental.⁵ Given the age of the Whitts' bus and the fact that the
13 Committee paid certain expenses under the lease, thus potentially lowering the fair market value,
14 the Commission dismisses this allegation as well.⁶

15 The Committee concedes that it failed to timely report the raffle prize. However, once
16 the omission was called to its attention, the Committee amended its Pre-Runoff Election Report

⁵ See MUR 6674 (Montanans for Rehberg) F&LA at 6-7 (dismissing excessive contribution allegation given difficulty of ascertaining comparable values of similar rented buses and lack of detail as to how parties arrived at valuations of the rental of the 13-year-old bus); MUR 6295 (Lowden) F&LA at 6-7 (dismissing excessive contribution allegation regarding rental of 10-year-old RV needing substantial repairs, for which the Committee paid).

⁶ *Heckler v. Chaney*, 470 U.S. 821, 831-32 (1985). The Complaint also alleges that the lease was an excessive in-kind contribution because the bus was wrapped in vinyl, bore the candidate's name and image, and was not available to the Whitts during the lease. Respondents argue that the parties had an oral understanding that the Whitts could use the bus during the lease, but the record does not reflect that they ever did. While the Commission could spend resources to determine the value of the campaign's apparently uninterrupted access to the bus, and whether a disclaimer should have, or did, appear on the wrapped bus, the Commission believes such inquiry would be an inefficient use of its resources under the particular facts of this case.

- 1 to disclose the value of the prize. In light of the Committee's remedial action, the Commission
- 2 dismisses the allegation that the Committee failed to properly report the raffle prize in violation
- 3 of 52 U.S.C. § 30104(b), pursuant to *Heckler v. Chaney*, 470 U.S. 821, 831-32 (1985).

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Jay and Katrina Whitt

MUR 6892

I. INTRODUCTION

This matter was generated by a Complaint filed on October 27, 2014, alleging violations of the Federal Election Campaign Act of 1971, as amended (the "Act") and Commission regulations by Respondents Jay and Katrina Whitt. It was scored as a relatively low-rated matter under the Enforcement Priority System, a system by which the Commission uses formal scoring criteria as a basis to allocate its resources and decide which matters to pursue.

II. FACTUAL AND LEGAL ANALYSIS

The Complaint in this matter alleges that the Whitts, along with Walker 4 NC and Collin McMichael in his official capacity as treasurer (the "Committee") violated the Act and Commission regulations. The Complaint's allegations include the making and receipt of excessive, unreported in-kind contributions in the form of the campaign's "frequent[], if not daily" use of a bus owned by the Whitts during a 400-day period.

In response, the Whitts and the Committee state that the Walker campaign negotiated a reasonable lease with the Whitts for the "occasional" use of their 34-year-old bus for an eight-month period. The rental amount was \$500 per month, plus the costs for service, repairs, maintenance, and fuel. The campaign used the bus a total of sixteen times, twelve during the lease period, and four times after, pursuant to an oral agreement. The Whitts and the Committee further argue that, based on its research, there was no market in the local area

1 for a bus as old as the Whitts' bus. They maintain that the Committee paid the Whitts
2 \$5,954.89 for its use of the bus and that the Committee properly disclosed the payments.

3 A contribution includes "any gift, subscription, loan, advance, or deposit of money or
4 anything of value." 52 U.S.C. § 30101(8)(A)(i). The term "anything of value" includes in-
5 kind contributions of goods or services without charge, or at less than the usual and normal
6 charge. 11 C.F.R. § 100.52(d)(1). Political committees must report the name and address of
7 each person who makes a contribution aggregating over \$200 per election cycle, as well as the
8 date, amount, and purpose of such payments. 52 U.S.C. § 30104(b)(3)(A).

9 In 2014, individual contributions to candidate committees were limited to \$2,600 per
10 election. 52 U.S.C. § 30116(a)(1)(A). Candidate committees are also prohibited from
11 accepting excessive contributions. 52 U.S.C. § 30116(f).

12 The Complaint provided no factual support for the contention that the fair market
13 value of the lease exceeded the Committee's payments to the Whitts. The Committee and the
14 Whitts provided a copy of the lease, a sales receipt showing that the bus was built in 1980 and
15 cost the Whitts \$30,000 in 2013, receipts for repair expenses the Committee incurred under
16 the lease, and a log showing the Committee used the bus sixteen times during a period of
17 about six months. Respondents also described their unsuccessful attempts to ascertain rental
18 costs for similarly aged buses. In other recent cases involving buses and RVs rented by
19 committees, the Commission dismissed allegations where, for a number of reasons, it was
20 difficult to determine the fair market value of the rental.¹ Given the age of the Whitts' bus

¹ See MUR 6674 (Montanans for Rehberg) F&LA at 6-7 (dismissing excessive contribution allegation given difficulty of ascertaining comparable values of similar rented buses and lack of detail as to how parties arrived at valuations of the rental of the 13-year-old bus); MUR 6295 (Lowden) F&LA at 6-7 (dismissing

- 1 and the fact that the Committee paid certain expenses under the lease, thus potentially
2 lowering the fair market value, the Commission dismisses the allegation that Jay and Katrina
3 Whitt violated 52 U.S.C. § 30116(a)(1)(A), pursuant to *Heckler v. Chaney*, 470 U.S. 821,
4 831-32 (1985).²

excessive contribution allegation regarding rental of 10-year-old RV needing substantial repairs, for which the Committee paid).

² The Complaint also alleges that the lease was an excessive in-kind contribution because the bus was wrapped in vinyl, bore the candidate's name and image, and was not available to the Whitts during the lease. Respondents argue that the parties had an oral understanding that the Whitts could use the bus during the lease, but the record does not reflect that they ever did. While the Commission could spend resources to determine the value of the campaign's apparently uninterrupted access to the bus, and whether a disclaimer should have, or did, appear on the wrapped bus, the Commission believes such inquiry would be an inefficient use of the Commission's resources under the particular facts of this case. *See Heckler*, 470 U.S. at 831-832.

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: The Freedom Project and Lisa Lisker as treasurer
Next Century Fund and Mary T. Fauth as treasurer
Majority Committee PAC and Jill Thomson as treasurer

I. INTRODUCTION

This matter was generated by a Complaint filed on October 27, 2014, alleging violations of the Federal Election Campaign Act of 1971, as amended (the "Act") and Commission regulations by Respondents. It was scored as a relatively low-rated matter under the Enforcement Priority System, a system by which the Commission uses formal scoring criteria as a basis to allocate its resources and decide which matters to pursue.

The Complaint in this matter alleges that The Freedom Project and Lisa Lisker in her official capacity as treasurer ("Freedom Project"), Next Century Fund and Mary T. Fauth in her official capacity as treasurer ("Next Century Fund"), and Majority Committee PAC and Jill Thomson in her official capacity as treasurer ("Majority Committee PAC") violated provisions of the Act and Commission regulations. The Complaint includes the allegation that The Freedom Project, Next Century Fund, and Majority Committee PAC each made a \$5,000 excessive contribution to Walker 4 NC and Collin McMichael in his official capacity as treasurer (the "Committee"). Although the contributions were designated for debt retirement, the Complaint asserts that the Committee did not report any debt to which these contributions could be applied.

In response, the Committee observes that Mark Walker was a candidate in both the primary and runoff elections, held on May 6, 2014, and July 15, 2014, respectively, for the Republican nomination in North Carolina's Sixth Congressional District. According to the

1 Committee, in the fifteen days between the close of the July Quarterly reporting period and the
2 date of the runoff election, it incurred debts to vendors in connection with the runoff. The
3 Committee, however, paid the vendors by September 30, 2014, the end of the reporting period,
4 so there was no runoff debt to report. With respect to the primary election, the Committee states
5 that it “unexpectedly received a late invoice from a vendor” for services performed during the
6 primary election. Therefore, the Committee claims that it was proper to solicit contributions to
7 retire its primary and runoff election debt. Freedom Project, Next Century Fund, and Majority
8 Committee PAC all responded in the same manner as to this issue.

9 A contribution includes “any gift, subscription, loan, advance, or deposit of money or
10 anything of value.” 52 U.S.C. § 30101(8)(A)(i).

11 In 2014, multicandidate political committees, such as Freedom Project, Next Century
12 Fund, and Majority Committee PAC, could not make a contribution to a candidate that exceeded
13 \$5,000 per election. 52 U.S.C. § 30116(a)(1)(A),(2)(A). A primary election, runoff election,
14 and general election are each considered separate “elections” under the Act, and the contribution
15 limits are applied separately with respect to each election. 52 U.S.C. §§ 30101(1)(A) and
16 30116(a)(6). Candidate committees are also prohibited from accepting excessive contributions.
17 52 U.S.C. § 30116(f).

18 If a committee has net debts outstanding after an election, the campaign may accept
19 contributions after the election to retire the debts, provided that the contribution is designated for
20 that election, the contribution does not exceed the contributor’s limit for the designated election,
21 and the campaign has net debts outstanding for the designated election on the day it receives the
22 contribution. 11 C.F.R. §§ 110.1(b)(3)(i) and (iii).

- 1 Since it appears that the Committee had sufficient primary and runoff election debt to
- 2 accept debt retirement contributions, the Commission finds no reason to believe that Freedom
- 3 Project, Next Century Fund, and Majority Committee PAC violated 52 U.S.C. § 30116(a)(2)(A)
- 4 by making excessive contributions to the Committee.

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